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CENTRAL INTELLIGENCE BULLETIN



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Next 3 Page(s) In Document Exempt

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DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR - Khrushchev: Khrushchev has no "present intention" of visiting Peiping, according to Soviet secret police chief Serov. In view of this statement and the fact that Austrian Chancellor Raab will arrive in Moscow on 21 July for official talks, it seems likely that other business--perhaps internal policy problems--prompted Khrushchev to cut short his stay in East Berlin last week.

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Soviet aid to UAR: Contracts have now been concluded for at least half of the 40 major projects to be undertaken by the USSR under its \$175,000,000 economic aid program in Egypt. Cairo expects a total of about 150 Soviet specialists, 70 of whom will arrive this month, to be employed on these projects. This would bring the total Soviet personnel engaged in economic activities in Egypt to about 450. A new mission of 13 Soviet engineers has just arrived in Damascus, bringing to 120 the number of Soviet specialists engaged there under Moscow's \$168,000,000 economic aid program for Syria.

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III. THE WEST

no West Germany: Chancellor Adenauer and top Bonn officials are concerned over maintaining good relations with De Gaulle, in view of his insistence on a French nuclear weapons program. Adenauer would be "indisposed to participate" in the French effort if approached by Paris, and is deferring a meeting with De Gaulle at least until September. Adenauer has indicated he would prefer a neutral meeting ground to Paris. Defense Minister Strauss feels his talks with French Minister of Armed Forces Guillaumat on the French-Italian-German armaments program were unsatisfactory.

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*Cuba: Officers of the US Naval Base at Guantanamo expect the 29 American servicemen still held by the Cuban rebels to be released beginning today. The situation has become increasingly annoying to Cuban President Batista, who is angered at US tactics in negotiating with the rebels for release of the hostages and at his inability to obtain arms from the United States.

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14 July 58

DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Economic Experts in the UAR

Cairo expects that about 150 Soviet experts will be employed on projects under the Soviet economic aid program, in addition to the more than 300 industrial, agricultural and professional Soviet bloc specialists now engaged in Egypt who are not under the program. At least 70, mostly industrial technicians, and specialists in developing petroleum and mineral resources, are expected to arrive this month. Contracts have now been concluded for more than half of the 40 major projects to be undertaken by the USSR in accordance with its \$175,000,000 economic aid program for Egypt, and facilities to train Egyptian personnel are being established.

The arrival of additional experts in Syria earlier this month raised to about 120 the number engaged in projects called for under Moscow's \$168,000,000 economic aid program for Damascus. These technicians are making topographical surveys, prospecting for oil and minerals, laying the groundwork for road and rail transport projects, and studying possibilities for irrigation and hydroelectric power development. As many as 100 other Soviet bloc economic experts are also in Syria engaged in airfield construction and building an oil refinery and other economic projects.

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III. THE WEST

Bonn Concerned Over Relations With Paris

Chancellor Adenauer has told the American ambassador in Bonn he is disturbed by France's desire to enhance its power position by developing nuclear weapons and would be "indisposed to participate" in the French program if approached by De Gaulle. Vice Chancellor Erhard considers De Gaulle a dictator and also opposes France's becoming a fourth atomic power.

Defense Minister Strauss is especially bitter about his discussions in Paris with French Minister of Armed Forces Guillaumat, who disclaimed any French commitments in the French-Italian-German (FIG) armaments production agreement, and had to refer even minor matters to De Gaulle for decision. Strauss was informed that Paris would have to review the entire FIG program in the light of the "interests of France." He also spoke deprecatingly of his "very general" talk with De Gaulle. A negative French posture toward FIG, as reported by Strauss, may reflect a French desire to establish a bargaining position. It may also reflect to some extent De Gaulle's underlying hostility to European cooperation ideas and his inclination for independent action.

On instruction from Adenauer, Strauss avoided committing the chancellor to an early meeting with De Gaulle in Paris, lest such a visit be considered a "pilgrimage." Adenauer might consider meeting De Gaulle in September in the Saar or Luxembourg. West German press chief Von Eckardt told a press conference on 11 July that this delay did not mean that De Gaulle and the chancellor would not discuss the production of atomic weapons in the framework of general political talks when they meet.

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The Cuban Situation

If the 29 American servicemen still held by the Cuban rebels are not released beginning today, as expected by officers of the US Naval Base at Guantanamo, a situation increasingly annoying to Cuban President Batista will continue to be aggravated. The forcing down of a US Marine aircraft on 13 July shortly after it had taken off from Guantanamo--because it had not signified its intent--underlines Batista's growing irritation. He claims his cooperation with US efforts to obtain the release of the hostages has already caused the Cuban Army to lose much ground to the rebels and that his continued inability to obtain weapons from the United States has weakened his army's position. On 10 July, he severely restricted flights by US helicopters and observation planes over rebel-held territory. He told Ambassador Smith on 11 July that the most effective way to obtain the release of the hostages would be an ultimatum threatening US action against the rebels.

Raul Castro's American hostages have been scattered in small groups and moved frequently around the wild and difficult terrain. An American consul negotiating with the rebels believes they could successfully elude any force sent in to rescue the Americans, and one of the rebel officers warned him they would fight any American rescue force and would publicly request Soviet arms to do so. Rebel leader Raul Castro is apparently the final authority in the area he holds, which is isolated from that held by his brother Fidel. Raul respects his brother's authority as chief of their movement, but feels his own zone is now much more important than Fidel's--a feeling shared by all Raul's followers. Raul Castro is anxious to have the Cuban issue referred to the Organization of American States. He is apparently still hopeful he can obtain assurances from the United States before the remaining hostages are released that it will not give military aid to Batista.

The American consular officers dealing with Raul Castro have been unable definitely to identify any member of his group as a Communist, but nevertheless believe that some of the leaders may be. [REDACTED]

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